

1 October 1999

SUBJECT: Common Errors in Preparation of Confidential Financial Disclosure Reports (OGE Form 450)

1. PURPOSE: To identify common errors in OGE Form 450 reports.

2. FACTS:

a. Failure to list the specific name of each mutual fund, as opposed to just listing the name of the fund family. For example, "Fidelity" does not sufficiently identify an asset, but "Fidelity Magellan" does.

b. Failure to list underlying assets of an investment or broker's account. All stocks and other investments independently traded in a broker's account must be reported, even if the broker is making the trades for you. A statement from the broker may be attached as long as it provides all the information required on the OGE Form 450.

c. Failure to identify the name, location, and nature of business of all nonpublic partnerships, closely-held corporations, and similar private business ventures.

d. Failure to report the assets of a partnership which is not an "excepted investment fund." Partnerships can be reported without describing the underlying assets only when the interest is a limited partnership, which is publicly available, and purchased from a broker.

e. Failure to list the underlying assets in an IRA account or 401(k) plan in which the filer has control over selecting from among various investment options.

f. Using abbreviations and acronyms that do not fully identify the financial interest.

g. Failure to check the "None" blocks when there are no entries. A reviewer cannot assume the failure was an oversight.

h. Reporting assets and liabilities that need not be reported. For example, bank deposits, money market accounts, U.S. Government securities, personal auto loans and mortgages on the filer's personal residence do not have to be reported on the OGE Form 450.

i. Failure to report the general nature of the filer's or the filer's spouse's employment outside the U.S. Government.

j. Failure to identify annuities as fixed or variable. For variable annuities, in which the filer may choose among various investment options, the filer must report the specific investment portfolios, mutual funds, or other investments held in the account.

k. Failure to report the location (city and state) where rental property is located.

l. Failure to report the name and location (city and state) of creditors.

m. Failure to report the correct type of income for income-producing assets. Filers often list IRA, retirement fund, annuity, insurance, etc. as types of income. These are types of assets or accounts. Types of income include dividends, interest, capital gains, rent, salary, fees, etc.

TAKE NOTICE! Mutual fund and other account numbers, as well as Social Security numbers, should not be disclosed. Even though the report is confidential, Government officials who review the form do not have a need to know this information.

GUIDANCE FOR COMPLETING THE OGE 450

1. The OGE Form 450 report must cover financial transactions for the preceding 12 months and must be current as of 30 September 1997.
2. Part I, Assets and Income and Part II, Liabilities: The filer should report any financial interests, sources of income, and liabilities that the employee, spouse, and dependent children were involved in during FY 1997, even if they were disposed of or otherwise severed prior to 30 September.
3. Part III, Outside Positions; Part IV, Agreements and Arrangements; Part V, Gifts and Travel Reimbursements: The filer need not report the outside positions or agreements held by family members. However, gifts and reimbursements to a spouse or dependent child must be reported (unless the gift or reimbursement is totally independent of the filer).
4. All reported affiliations and financial interests must be clearly and completely identified:
 - a. List all assets of a brokerage account (i.e., the individual stocks, bonds, mutual funds, or unit investment trusts held in the account).
 - b. When listing mutual funds, report the specific funds rather than the family of funds (e.g., Fidelity Magellan not Fidelity or Vanguard High Yield Fund not Vanguard).
 - c. Do not use acronyms and abbreviations--spell out each entry.
 - d. If not otherwise clear from the name, identify the nature of the affiliation or financial interests (e.g., "financial consulting," or "leasing of heavy road equipment").
 - e. Report all assets within an IRA, 401(k), Keough or similar accounts.
 - f. Variable annuities are comprised of one or more mutual funds; it is these individual funds that must be identified.
5. Finally, not every asset, liability, affiliation or gift must be reported. For example, instructions on the form indicate that a mortgage on your personal residence need not be reported unless it is being rented. Additionally, it is not necessary to disclose the existence of, and income from, cash accounts in depository institutions (banks, savings and loans, and credit unions), money market mutual funds, or U.S. Government obligations and securities.
6. Filers should save a copy of their OGE Form 450 for later use. A change to the JER will allow some filers to use simplified reporting procedures which require the filer to submit a copy of the previous OGE Form 450 for review.